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13 Jan 56

CENTRAL INTELLIGENCE AGENCY
CODEWORD ROUTING SHEET

TO		INITIALS	DATE
1	Ch/E	ELH	17 Jan 56
2	DCNYE	RBM	18 Jan 56
3	CE/EE	ERH	19 Jan
4	AD/RR good report	OOG	26 Jan
5	Purdy's books		
6			
FROM		INITIALS	DATE
1	St/GM	Hog	16 Jan 56
2			
3			

 Approval Information Signature Action Direct Reply Return Comment Preparation of Reply Dispatch Concurrence Recommendation File

REMARKS:

2-3 Ed-

Should we send a copy of this to AD/RR for info?
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NSA Declassification/Release Instructions on File.

APPENDED DOCUMENT CONTAINS CODEWORD MATERIAL

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Approved For Release 2001/07/20 : CIA-RDP70T00666R000100040016-4

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Economic Research

DATE: 13 January 1956

FROM : Chief, St/GM

SUBJECT: St/GM - Six Month Activity Report

REFERENCE : Ch/E Memorandum, 25 May 1955. "ERA Staff for Guided Missile Intelligence Coordination and Research"

General

1. The staff assembled in early June and undertook the usual organizational steps: a survey of existing GM intelligence, the establishment for the first time of all-source reading panel requirements directed to the economic aspects of the complete weapons system, and the formulation of working files.
2. During the first few months, we devoted most of our efforts to: digestion of the historical GM intelligence picture, familiarization with the intrinsic elements of GM weapons systems, investigation of the state of the art and trends in the US missile program, and development of close working-level liaison with components of the US guided missile intelligence community in the Department of Defense, OSI, OCI, Geographic area ORR, and NSA [REDACTED]

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3. The value of economic intelligence in the GM problem and ORR's role therein has become recognized throughout the intelligence community as a result of these working-level liaisons and our participation in the IAC Guided Missile Intelligence Survey Committee.

Orientation

4. It should be emphasized that the orientation aspect of the staff's activity has consumed a major part of our time. The assimilation of the voluminous material on the "German" story, study of the US missile program, attendance at the "Special Weapons Orientation Course", Maxwell Field, attendance at the "Symposium on Guided Missile Reliability", Wright-Patterson Air Force Base, viewing of many reels of missile films -- all these and many other "investment" activities have been absolutely essential to prepare the staff to fulfill its mission. The investment in time has paid dividends, the staff now has six analysts qualified to deal competently with the economic intelligence aspects of the GM problem.

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Coordination

5. The staff reviewed the projects in the ERA research program pertinent to the problem with the responsible commodity and industry branches and arranged various activities designed to appraise these branches of current developments in the field. Such activities included a program of films on US missile activity, trips to a Nike site, and various briefings on intelligence approaches to the problem.

6. We have worked closely with the DDI coordinator for missile intelligence, providing him economic intelligence support for the ad hoc IAC Survey Committee, NIE 11-12-55: Soviet Capabilities and Probable Programs in the Guided Missile Field, and the R&D missiles conference [redacted]

7. The staff coordinated and compiled the ORR contribution to the "disarmement" information requested by General Truscott. We have provided a representative to the EDIC Working Group on Fuels and Additives and have supported the EIC Working Group on Guided Missiles.

8. The staff also has contributed to the current intelligence effort of CSS, ORR by evaluating and coordinating several articles for OCI publications.

Research



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10. In the course of our research it became evident that the Department of Defense was withholding certain source material because "special" clearances were required. Having been cleared, we found that this source material was vital to GM intelligence research. Without the high priority pressure exerted by the staff it is unlikely that these clearances would have been forthcoming.

11. The staff initiated a project to study the economic aspects of the Soviet surface-to-air guided missile program, requesting scientific and technical information from OSI and information on technical characteristics plus system military characteristics from ATIC. In addition to trying to determine the elements of the weapons system and costing them to determine their impact on the Soviet economy, we are undertaking the more prosaic task of investigating the MOP facilities which have not been included in the [redacted] facility lists but which have the capability to contribute to the Soviet surface-to-air missile program.

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Collection

12. In as much as there is so little positive intelligence on missiles, the staff has devoted considerable energy to the collection phase of missile intelligence. We have sponsored through the EIC Working Group on GM a US counterpart collection program; in conjunction with OSI [redacted]

[redacted] we have submitted requirements to the military attaches in Moscow and to NSA [redacted] we have also submitted photo reconnaissance requirements to the Air Force. The staff has tried to devise these collection requirements carefully and has attempted to provide all pertinent background data for the collector in an attempt to unearth a few bits of positive intelligence.

Plans

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13. [redacted]

[redacted] After determining the economic impact of the Soviet S-A missile program, we intend to analyse other Soviet missile programs. As time goes on, we are able to provide more meaningful direction and guidance to appropriate ERA branches, pinpointing the research problems within their field of responsibility that are the most critical. We also plan to continue training activities including trips to US missile production facilities in order to facilitate our analysis of the activities at the suspect Istra installation.

Conclusion

14. This staff on the basis of six months experience is convinced that the best way to attack the guided missiles intelligence problem is by the designation of a distinct group of analysts who are responsible on a full time basis for production of economic intelligence on guided missiles. This permits the study of the weapons system as a unit and insures that all pertinent source material will be evaluated in context.

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Recommendations

15. In order to produce meaningful economic intelligence on guided missiles or for that matter on any other Soviet weapons systems, it is necessary to study the producing ministries and consuming ministry as complete Soviet institutions rather than functional segments. The analysis of economic activities of the Ministries of Defense Industry, Aircraft Industry, Shipbuilding Industry, Medium Machine Building, General Machine Building as producers and of the Ministry of Defense as a consumer should be undertaken in the framework of the entire military sector in order to assess the inter-relationships and to aggregate the economic impact of Soviet weapons systems on the whole USSR economy. It was for reasons of this type that it was recommended that a Military Division be established in the Economic Research Area. It is therefore recommended that the staff be continued as a distinct unit and that it be incorporated as a branch of the proposed Military Division.

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